

order of the House, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 5 minutes.

Mr. ETHERIDGE. Mr. Speaker, I rise today to celebrate the 100th anniversary of the founding of my hometown, Lillington, North Carolina, the seat of Harnett County. For 100 years, Lillington has been home to many enterprising, patriotic and public-spirited citizens. Today as the town prepares to mark this occasion, I want to recognize the history, success and integrity of this remarkable community. When we talk of famous places, we often talk about buildings and landmarks, like the Capitol here in Washington, D.C., or the Empire State Building in New York.

While Lillington does not have any skyscrapers, it does have people of great character. It is that character which has made Lillington one of America's great communities. Named for General Alexander Lillington, a hero of the American Revolutionary War who is known for his heroic efforts at the battle of Moore's Creek Bridge in 1776, Lillington is one of those special places that welcomes with open arms strangers and family alike. Its citizens sincerely care about the well-being of their neighbors, as evidenced by their dedication to numerous civic organizations, schools, and churches in the area.

On July 4 and 5, and throughout this year, Lillington will celebrate its honored past and the centennial of its formal incorporation. The Greater Lillington Centennial Celebration will be marked by numerous events, including the dedication of roadside historic markers honoring General Lillington and Cornelius Harnett, for whom Harnett County is named; a lecture series honoring notable people who have lived and worked in the community; the installation and dedication of a town clock in front of town hall; the publishing of a history of the community entitled *Lillington—A Sketchbook*; and many other celebrations and reunions.

After my discharge from the Army in 1968, I moved to Lillington and immediately discovered what a unique place it is. In Lillington, Faye and I have raised our three children, Bryan, Catherine and David. It is truly a great place to live, work and raise a family.

Mr. Speaker, Lillington and other towns like it are the backbone of America. They may be hard to find on a map, but it is easy to understand their importance to this great Nation. It is in these tight-knit communities that our Nation's values are shaped and future hopes reside. As Lillington moves into its second century, it has a bright future ahead of it, and I know that if we are willing to dream big and work hard, Lillington's next 100 years will be even more prosperous and purposeful than its first. I ask my colleagues to join Faye and me today in celebrating Lillington's 100th anniversary.

#### CONSERVATIVE MYTHS ABOUT THE ESTATE TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PASCRELL) is recognized for 5 minutes.

Mr. PASCRELL. Mr. Speaker, I heard two gentlemen this evening, one from Minnesota, the other from Texas, say some things and I need to respond even though it is also part of what I am going to be saying this evening.

One gentleman said the folks on this side of the aisle are concerned about class warfare. Now if we were in session, I would ask his words to be taken down because that has happened one too many times. That is serious business. That is political warfare here. We are all Americans, and we have a right to our opinions.

The other gentleman, the gentleman from Minnesota, talked about unfairness, that we on this side are unfair. Let me tell Members what is unfair. That is the subject about which I speak tonight.

The recent CBO study found that between 1979 and 1997, the after-tax incomes of the top 1 percent of the families rose 157 percent. The wealthiest 5 percent went up 81 percent compared with only a 10 percent gain of the people in the middle of the income distribution.

Mr. Speaker, during that period of time, incomes in the bottom fifth of the population actually fell. That is what is unfair. I want to examine tonight the five myths, I call them lies, that the Republicans have put forth on the estate tax.

The first myth: Many Americans will benefit from the repeal of the estate tax. It is in all of their literature. Well, let me see what the case is. Because the estate tax only falls on estates worth over a million, it only affects the richest of the 1.4 percent of American families. Two-thirds of the estate tax revenues comes from the wealthiest 0.2 percent. When the higher exemptions are fully implemented so a two-parent family could transfer \$7 million to their children without any estate tax, only 0.05 percent would be subject to the estate tax.

So in myth number 1, a study by the Center on Budget and Policy Priorities found that after all repeal of the estate tax, and that is where the other side is headed, the largest 4,500 estates, therefore the wealthiest 0.003 percent of all the taxpayers will receive as much relief from the repeal as 142 million Americans.

Myth number 2: The estate tax is forcing family farmers to lose their farms. We could not find one farmer who was losing their farm, and then they try to quote from the American Farm Bureau Federation, and they could not find one farmer who lost their farm either. And as far as I am concerned, the American Farm Bureau Federation is just like the National Association of Manufacturers, they talk, do no good, and we continue to export

jobs overseas. They are both worthless. Tell a lie enough times, and folks might believe it. The small farmers are not represented by the American Farm Bureau Federation.

Myth number 3: The estate tax stifles creativity and innovation by punishing the successful. Listen to what Andrew Carnegie said about that myth, that each generation should "have to start anew with equal opportunities. Their struggles to achieve would, generation after generation, bring the best and the brightest to the top."

Warren Buffett was quoted from this floor just a week ago, there is no free lunch.

Myth number 4: Taking 55 percent of someone's life earning is unfair. That is a myth. Conservatives, particularly on the other side, do not let facts get in the way of political ideology. The effective tax rate, which is the percentage of an estate, which is actually taxed, does not even come close to 55 percent, Mr. Speaker, and they know it.

In 1999, the effective tax rate on all estates was only 24 percent, less than half of the 55 percent reported. The 24 percent effective rate leaves heirs 76 percent of the value of the estates.

Mr. Speaker, do not let Americans think you are going to help them on this estate tax when we are talking about a tiny percent of the population. The other side of the aisle is trying to create that myth.

Finally, Mr. Speaker, the estate tax is double taxation. Do you want a list of those poor people in the middle class that we double tax on issues? There are a lot of ways that we tax beside the income tax. This is a myth and they have quoted from folks that do not even support the position. This vote that we will take on Thursday is one that everybody should look at the facts, not how things are perceived, not at how things look, look at who is being helped and look at the redistribution of wealth in this country, and we will see who is guilty of class warfare.

Without the estate tax, these assets would never be taxed. But that is exactly the point. Conservatives who argue that it is unfair to tax them twice are really trying to get out of having them taxed at all. Repeal of the estate tax means that huge amounts of capital gains would be passed on to children without ever having been taxed.

The fact that the estate tax also falls on a part of an estate made up of previously taxed income is not problematic because it is no different than how any other income is treated. Under our tax system, the same dollar is taxed multiple times as it moves through the economy from employer to employee to a gas station and then on to the next employee, ad infinitum. It is unfair and inconsistent to single out the estate tax for exemption from this system.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.